

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2447

Introduced by Assembly Member Furutani

February 19, 2010

An act to amend ~~Section 66021.2~~ *Sections 66021.2 and 69435* of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 2447, as amended, Furutani. Student financial aid: Cal Grant Program.

Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant awards under the administration of the Student Aid Commission and establishes eligibility requirements for the awards for participating students attending qualifying postsecondary educational institutions.

Existing law requires the maximum award amounts for Cal Grant awards to be identified in the annual Budget Act and prescribes the manner for calculating the maximum Cal Grant A and B awards. In this regard, existing law requires the maximum Cal Grant A award for a student attending the University of California or the California State University to equal the mandatory systemwide fees in each of those segments; the maximum Cal Grant B award for a student attending the University of California or the California State University to equal the mandatory systemwide fees in the segment attended by the student, except as specified; and the maximum Cal Grant A and Cal Grant B awards for students attending nonpublic institutions to equal the levels established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts. Cal Grant B awards also include an

award for access costs in an amount not exceeding \$1,551. The maximum Cal Grant B award for a student's first year of enrollment is limited to the amount of the access award.

Existing law also establishes a Cal Grant C award, which may be used only for occupational or technical training, as defined, in a course of not less than 4 months.

This bill would increase the maximum amounts of the Cal Grant A and Cal Grant B awards for students attending the University of California or the California State University to equal the sum of the mandatory systemwide fees and the applicable mandatory campus-based fees in the respective institutions. The bill would require the maximum amounts of the Cal Grant A and Cal Grant B awards for students attending nonpublic institutions to equal the levels established in the Budget Act of 2009, adjusted annually by a specified inflation factor. The bill would require the maximum amount of the Cal Grant B access award to be adjusted annually by a specified inflation factor. The bill also would require the maximum Cal Grant C award to equal the sum of the tuition and fee award level and the book and supply award level in the Budget Act of 2009, adjusted annually by a specified inflation factor.

~~Existing law establishes the long-term policy of the Cal Grant Program, which includes, among other things, a requirement that an applicant for a Cal Grant award receive an award that is not in excess of the financial need amount determined by the Student Aid Commission if he or she meets specified requirements.~~

~~This bill would prescribe a minimum funding level for the Cal Grant Program commencing with the 2011–12 fiscal year. This bill would provide that the total amount of funding appropriated for purposes of the Cal Grant Program in any fiscal year be subject to the annual Budget Act.~~

~~This bill would also make technical, nonsubstantive changes, and would delete obsolete language, in the provisions of law that establish the long-term policy of the Cal Grant Program.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

1 (1) *California has a premier public system of higher education*
2 *in the United States.*

3 (2) *Although the price of an education at one of California's*
4 *public institutions of higher education is low, compared to*
5 *institutions in other states, the cost of living is considerably higher.*

6 (3) *Due to the high cost of living in the state, students struggle*
7 *to fund their education and their living expenses. One of the biggest*
8 *financial burdens to students is the increasing cost of textbooks.*

9 (4) *Originally, the intent of the Cal Grant Program was to*
10 *financially assist students in funding the high cost of higher*
11 *education.*

12 (5) *Currently, Cal Grant awards are not sufficient to cover the*
13 *expenses associated with a college education. As the cost of living*
14 *in California rises, Cal Grant awards remain stagnant in*
15 *comparison.*

16 (6) *It is necessary that Cal Grant awards cover all fees*
17 *associated with enrollment and the cost of living.*

18 (b) *It is the intent of the Legislature to make higher education*
19 *affordable to all California residents.*

20 **SECTION 1.**

21 SEC. 2. Section 66021.2 of the Education Code is amended to
22 read:

23 66021.2. Consistent with the state's historic commitment to
24 provide educational opportunity by ensuring both student access
25 to and selection of an institution of higher education for students
26 with financial need, the long-term policy of the
27 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
28 established pursuant to Chapter 1.7 (commencing with Section
29 69430) of Part 42 shall be as follows:

30 (a) An applicant for a Cal Grant A or B award shall receive an
31 award that is not in excess of the financial need amount determined
32 by the Student Aid Commission pursuant to Section 69432.9 if he
33 or she complies with all of the following requirements:

34 (1) Demonstrates financial need under the criteria adopted
35 pursuant to Section 69432.9.

36 (2) Attains a grade point average, as defined in Section 69432.7,
37 meeting the requirements of Chapter 1.7 (commencing with Section
38 69430) of Part 42.

39 (3) Complies with each of the eligibility criteria applicable to
40 the type of Cal Grant award for which he or she is applying.

(b) (1) The maximum Cal Grant A award for a student attending the University of California or the California State University shall ~~equal the mandatory systemwide fees in each of those segments.~~ *be an amount that is equal to the sum of the mandatory systemwide fees and the applicable mandatory campus-based fees in the respective segment.*

(2) The maximum Cal Grant B award for a student to which this subdivision is applicable shall ~~equal the mandatory systemwide~~ *be an amount that is equal to the sum of the mandatory systemwide fees and the applicable mandatory campus-based fees* in the segment attended by the student, except for community college students who receive waivers from the Board of Governors of the California Community Colleges, plus the access award calculated as specified in Article 3 (commencing with Section 69435) of Chapter 1.7 of Part 42, except that in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(c) The maximum Cal Grant awards for students attending nonpublic institutions shall be as follows:

(1) The maximum Cal Grant A award shall equal the tuition award level established in the Budget Act of 2000, ~~or the amount as adjusted in subsequent annual budget acts.~~ *2009, and shall be adjusted annually by an inflation factor that is equal to the percentage change in the Consumer Price Index for the prior year as published by the federal Bureau of Labor Statistics. In any year in which there is a decrease in the Consumer Price Index, the maximum award shall not be decreased and shall equal the tuition award level established in the annual Budget Act for the immediately preceding fiscal year.*

(2) The maximum Cal Grant B award shall equal the amount of the tuition award as established in the Budget Act of 2000, ~~or the amount as adjusted in subsequent annual budget acts,~~ *plus the 2009, which shall be adjusted annually by an inflation factor that is equal to the percentage change in the Consumer Price Index for the prior year as published by the federal Bureau of Labor Statistics, plus the amount of the access costs specified in Section 69435, except that, in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award. In any year in which there is a decrease in the Consumer Price Index, the maximum tuition award shall not be*

1 *decreased and shall equal the tuition award level established in*
2 *the annual Budget Act for the immediately preceding fiscal year.*

3 (d) (1) The Cal Grant C award shall be utilized only for
4 occupational or technical training.

5 (2) *The maximum Cal Grant C award shall equal the sum of*
6 *the tuition and fee award level and the book and supply award*
7 *level in the Budget Act of 2009, and shall be adjusted annually by*
8 *an inflation factor that is equal to the percentage change in the*
9 *Consumer Price Index for the prior year as published by the federal*
10 *Bureau of Labor Statistics. In any year in which there is a decrease*
11 *in the Consumer Price Index, the maximum award shall not be*
12 *decreased and shall equal the level established in the annual*
13 *Budget Act for the immediately preceding fiscal year.*

14 (e) The Cal Grant T award shall be used only for one academic
15 year of full-time attendance in a program of professional
16 preparation that has been approved by the California Commission
17 on Teacher Credentialing.

18 (f) An institution of higher education in this state that
19 participates in the Ortiz-Pacheco-Poochigian-Vasconcellos Cal
20 Grant Program shall not reduce its level of per capita need-based
21 institutional financial aid to undergraduate students, excluding
22 loans, below the total level awarded in the 2000–01 academic year.

23 ~~(g) (1) Commencing with the 2011–12 fiscal year, and each~~
24 ~~fiscal year thereafter, the minimum funding level for the~~
25 ~~Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program shall~~
26 ~~be an amount equal to the amount of funding appropriated for~~
27 ~~purposes of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant~~
28 ~~Program in the Budget Act of 2009, compounded annually by an~~
29 ~~inflation factor that is equal to the percentage change in the~~
30 ~~Consumer Price Index for the prior year as published by the federal~~
31 ~~Bureau of Labor and Statistics.~~

32 ~~(2) Notwithstanding paragraph (1), the total amount appropriated~~
33 ~~for purposes of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal~~
34 ~~Grant Program in any fiscal year shall be subject to the annual~~
35 ~~Budget Act.~~

36 ~~(h)~~

37 (g) The implementation of the policy set forth in this section
38 shall maintain a balance between the state's policy goals of
39 ensuring student access to and selection of an institution of higher
40 education for students with financial need and academic merit.

1 (†)

2 (h) It is the policy of the State of California that the
3 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
4 supplement the federal Pell Grant program.

5 (‡)

6 (i) An award under the Ortiz-Pacheco-Poochigian-Vasconcellos
7 Cal Grant Program shall not guarantee admission to an institution
8 of higher education or admission to a specific campus or program.

9 SEC. 3. *Section 69435 of the Education Code is amended to*
10 *read:*

11 69435. (a) (1) A Cal Grant B award shall be used only for
12 tuition, student fees, and access costs in a for-credit instructional
13 program that is not less than one academic year in length.

14 (2) The commission, or a qualifying institution pursuant to
15 Article 8 (commencing with Section 69450), shall award access
16 grants in a student's first academic year. In subsequent years, the
17 award shall include an additional amount to pay tuition or fees, or
18 both, to attend college at a public or private four-year college or
19 university or other qualifying institution for all Cal Grant B awards
20 pursuant to paragraph (2) of subdivision (b) of Section 66021.2.
21 ~~In no event shall the~~ *The* total award in any year *shall not* exceed
22 the applicant's calculated financial need.

23 (3) Not more than 2 percent of new Cal Grant B recipients
24 enrolling for the first time in an institution of postsecondary
25 education shall be eligible for payments for tuition or fees, or both,
26 in their first academic year of attendance. The commission shall
27 adopt regulations specifying the criteria used to determine which
28 applicants, if any, receive both tuition and fees plus the access
29 grant in the first year of enrollment. Priority shall be given to
30 students with the lowest expected family contribution pursuant to
31 Section 69432.7 and the highest level of academic merit.

32 (b) An award for access costs under this article shall be in an
33 annual amount not to exceed one thousand five hundred fifty-one
34 dollars (\$1,551). This amount ~~may be adjusted in the annual Budget~~
35 ~~Act~~ *shall be adjusted annually by an inflation factor that is equal*
36 *to the percentage change in the Consumer Price Index for the prior*
37 *year as published by the federal Bureau of Labor Statistics. In any*
38 *year in which there is a decrease in the Consumer Price Index,*
39 *the award for access costs shall not be decreased and shall equal*

- 1 *the level established in the annual Budget Act for the immediately*
- 2 *preceding fiscal year.*

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